

## **Market Monitoring Work Group**

**August 2, 2000**

- **Update -- Informal Input from FERC Staff**
- **Further Clarifications to Recommendations**
- **Input Needed from RRG**
- **Plan of Action**

### **Informal Input from FERC Staff**

- **Although the Commission has not said much on this issue, the market monitoring regulations are currently focused on monitoring the overall market, not individual conduct**
- **RTO West recommendations are generally acceptable, but there is a need to integrate the bulleted recommendations and some of the detail from the briefing materials into a market monitoring plan for the 10/15 filing**

### **Informal Input from FERC**

- **The plan should include more detail on:**
  - **The specifics of how information will be collected and maintained (including confidentiality provisions)**
  - **The details regarding how non-RTO markets will be periodically assessed**
  - **The specifics regarding dissemination of information, including the type of information that will be released and timing of the release**

### **Informal Input from FERC Staff**

- **As RTO West does not want an enforcement role, it would be helpful if the plan specifies what “enforcement” actions that RTO will perform (e.g., tariff compliance) versus what actions RTO West would like to defer to the appropriate regulatory or enforcement entities (e.g., determining whether conduct is inappropriate and the ramifications of such conduct)**

### **Informal Input from FERC Staff**

- **Heads Up -- The Commission might want RTO West to take care of some issues and not have everything deferred to the Commission**

### **Informal Input from FERC Staff**

- **The recommendations provide that the MMU reports anomalous market performance to the Board**
  - **Heads Up-- The Commission has accepted this approach in some instances, but in other instances has required that a MMU report directly to the Commission in addition to an ISO Board**

### **Informal Input from FERC Staff**

- **The recommendations provide that in the early years of RTO operation, the Board (with procedural safeguards) should be able to act quickly to change RTO design components -- FERC Staff wanted to make clear that this would only be with the Commission's approval**

### **Informal Input from FERC Staff**

- **While market monitoring is important, there are more critical issues that the Commission is concerned with and it makes sense to marshal resources and not spend a lot more time on defining the market monitoring plan (with the exception of providing the details specifically requested)**

### **Clarifications to Market Monitoring Recommendations**

- **MMU will not have "enforcement" responsibility**

<u>Function</u>	<u>Responsible Entity</u>
Monitoring	MMU
Tariff Compliance Issues	RTO Tariff Compliance Office
Inappropriate Behavior	Appropriate Regulatory or Enforcement Entity

### **Clarifications (Continued)**

- **MMU will monitor RTO Markets and if it detects market performance that is inconsistent with competitive market, the MMU will investigate to determine cause**

- **MMU will consider operational behavior in response to a submitted complaint**

### **Input Needed from RRG**

- **Response to Recommendations**
- **Decisions Regarding RTO Markets**
- **Direction Regarding Further Work of Work Group**
- **Guidance Regarding Outside Performance and Design Audit of MMU**
- **Guidance Regarding Need for Brief Evaluation of Market Power Issues**

### **Plan of Action**

- **Integrate the bulleted recommendations and some of the detail from the briefing materials into a market monitoring plan for the 10/15 filing**
  - **Develop more detail on:**
    - **The specifics of how information will be collected and maintained**
    - **The details regarding how non-RTO Markets will be periodically assessed**

### **Plan of Action**

#### **(Continued)**

- **The specifics regarding dissemination of information, including the type of information that will be released and timing of the release (including confidentiality provisions)**
  - **Other clarifications requested by FERC Staff**
  - **Other items identified by the RRG**
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- **Respond as appropriate to other RRG input**